

Message Text

CONFIDENTIAL

PAGE 01 ROME 11761 261940Z

64

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 NIC-01 EB-11 OMB-01 TRSE-00

SIL-01 LAB-06 DRC-01 /157 W
----- 089476

R 271630Z OCT 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1545

C O N F I D E N T I A L ROME 11761

E.O. 11652 GDS

TAGS: PINT IT

SUBJECT: RUMOR COMPLETES "FIRST HUNDRED DAYS"

REF: ROME 10837

1. BEGIN SUMMARY. FIRST THREE MONTHS OF REVIVED CENTER-LEFT COOPERATION ENDED WITH COALITION PARTNERS STILL IN RELATIVE HARMONY, BUT WITH BASIC PROBLEMS STILL AHEAD. COMMUNISTS CONTINUE TO REFRAIN FROM SERIOUSLY CHALLENGING GOVERNMENT OR ITS PROGRAMS, AND PARTY SECRETARY BERLINGUER HAS NOW OPENLY DECLARED PCI LOOKS TO EVENTUAL "GREAT HISTORIC COMPROMISE" WITH CHRISTIAN DEMOCRATS. MEANWHILE, SOCIALISTS AND SOCIAL DEMOCRATS ARE UNDERGOING INTERNAL SHIFTS OF ALIGNMENT WHICH DO NOT RPT NOT AFFECT THEIR COMMITMENT TO PRESENT GOVERNMENT. END SUMMARY.

2. CLOSE OF RUMOR GOVERNMENT'S "FIRST HUNDRED DAYS" FINDS

GOVERNING PARTNERS STILL WORKING WITH COMMON PURPOSE AND RELATIVE HARMONY. SOCIALIST POLEMICS OVER BUDGET HAVE SUBSIDED, AND TREASURY MINISTER LA MALFA HAS NOT PURSUED HIS DEMAND FOR "CLARIFICATION" (REFTEL). ACCORD WITH UNIONS ON PENSIONS (ROME 11317) AND WITHIN GOVERNMENT ON RECENT GASOLINE PRICE HIKE (EXPECTED TO RECEIVE NEEDED PARLIAMENTARY APPROVAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 11761 261940Z

WITH ONLY TOKEN COMMUNIST OPPOSITION) HAVE BOLSTERED COALITION

CONFIDENCE THAT COUNTRY'S PROBLEMS ARE MANAGEABLE AND THEIR OWN CONFLICTING VIEWS RESOLVABLE. NEVERTHELESS, THERE IS REALIZATION THAT HARD SLOGGING LIES AHEAD. EMERGENCY ECONOMIC CONTROLS ENTER THEIR "PHASE TWO" NOVEMBER ONE, AFTER WHICH CURRENT PRICE FREEZE MAY BE MODIFIED BY SELECTIVELY APPROVED PRICE INCREASES. BASIC QUESTION REMAINS WHETHER RENEWED CENTER-LEFT CAN SUCCESSFULLY IMPOSE SUFFICIENT AUSTERITY TO ACHIEVE ITS REFORM AND INVESTMENT GOALS, BUT MODERATE CURRENT TACTICS OF COMMUNIST PARTY SHOULD HELP GOVERNMENT TO HOLD WAGE/PRICE LINES.

3. COMMUNIST PARTY CONTINUES TO PURSUE "SOFT LINE" TOWARD RUMOR GOVERNMENT, THUS FAR MAKING GOOD ON PROMISE OF LAST SPRING TO ADOPT "DIFFERENT TYPE OF OPPOSITION" TO A RENEWED CENTER-LEFT. IN OCTOBER 19 ARTICLE IN PCI WEEKLY, RINASCITA, PARTY SECRETARY BERLINGUER UNEQUIVOCALLY RENOUNCED "UNITY OF LEFT" STRATEGY IN FAVOR OF MORE PROMISING LONG-TERM PCI PUSH FOR "GREAT HISTORIC COMPROMISE" WITH D.C. PARTY POSTURE AND POLICIES, HE INDICATED, MUST BE GEARED TO THAT GOAL. THEME WAS EXPANDED AT PCI CENTRAL COMMITTEE MEETING OCTOBER 17 WHERE POLITICAL OFFICE MEMBER GERARDO CHIAROMONTE ALSO ACCLAIMED RECENT GOVERNMENT/UNION PENSION AGREEMENT AND APPLAUDED UNION RESPONSIBILITY IN SACRIFICING IMMEDIATE WAGE GAINS FOR BENEFIT OF COMMONWEALTH. CHIAROMONTE, BY URGING AVOIDANCE OF A WAGE PUSH, IN EFFECT CALLED FOR UNION RESTRAINT IN WHAT COULD BE VIEWED AS PCI INCOMES POLICY.

4. BERLINGUER STATEMENT WAS QUICKLY AND PREDICTABLY REJECTED BY BROAD RANGE OF CHRISTIAN DEMOCRAT LEADERSHIP, WHO RESTRESSED IDEOLOGICAL DIFFERENCES SEPARATING DC AND PCI. ISSUE IS MORE DIFFICULT FOR SOCIALISTS, HOWEVER, WHO WELCOME PCI BENEVOLENCE TOWARD CENTER-LEFT BUT HAVE LONG BEEN TROUBLED BY FEARS THAT PCI WILL "JUMP OVER" THEM TO MAKE PRIVATE DEAL WITH DC. RENEWED CONCERN IS BOUND TO BE VOICED AT CENTRAL COMMITTEE MEETING OCTOBER 29 PARTICULARLY BY MINORITY LEADER MANCINI WHO VIEWS CLOSER PSI TIES WITH COMMUNISTS AS BEST PREVENTIVE MEDICINE. PSI MAJORITY, MEANWHILE, HAS BEEN BROADENED TO 68 0/0 BY ADHESION OF BERTOLDI FACTION, WHICH SIGNIFICANTLY REDUCES LEVERAGE OF RIGHT-WING AUTONOMIST FACTION. CENTRAL COMMITTEE AGENDA INCLUDES FILLING OF PARTY JOBS LEFT OPEN SINCE JULY BY ENTRANCE OF INCUMBENTS INTO GOVERNMENT, AS WELL AS ALMOST CERTAIN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 11761 261940Z

ELEVATION OF NENNI TO LARGELY HONORARY POST OF PARTY PRESIDENT.

5. MEANWHOLE, CONTRASTS HAVE SHARPENED WITHIN SOCIAL DEMOCRATIC PARTY. EX-PARTY SECRETARY MAURO FERRI, LEFT OUT OF CURRENT GOVERNMENT, HAS DRAMATICALLY JUMPED FROM FORMER ROLE OF RIGHT-WING MINORITY LEADER TO NEW ROLE ON PARTY'S LEFT WING. HE IS NOW A DE FACTO ALLY OF EX-PRESIDENT SARAGAT. THE PARAMETERS OF FERRI'S NEW PHILOSOPHY ARE STILL UNCLEAR, BUT INCLUDE MORE

ENERGETIC AND IMAGINATIVE PSDI COMPETITION WITH COMMUNISM ON ITS OWN GROUND, AND LIMITED ARMS-LENGTH DIALOGUE WITH THE PCI TO ENCOURAGE ITS DEMOCRATIC EVOLUTION. HOWEVER, NEITHER FERRI NOR SARAGAT QUESTION PSDI SUPPORT OF PRESENT GOVERNMENT. SOME OPPONENTS ATTRIBUTE FERRI'S SHIFT TO A CYNICAL SEARCH FOR POLITICAL SPACE IN WHICH TO REBUILD HIS MUCH-DIMINISHED PRESTIGE. THEY DENY THAT FERRI AND SARAGAT TOGETHER CAN SIGNIFICANTLY ALTER PSDI'S PRESENT COURSE.

6. COMMENT: FOR THE IMMEDIATE FUTURE, NONE OF ABOVE DEVELOPMENTS IN THEMSELVES THREATEN GOVERNMENT COHESION. OVER TIME, PCI EFFORTS TO COZY UP TO DC COULD, AS IN THE PAST, SPUR PSI TO SHIFT TO THE LEFT, BUT PITFALLS INHERENT IN LEFT-WING PSI MAXIMALISM ARE AS WELL KNOWN TO SOCIALISTS AS TO THEIR NON-MARXIST COALITION PARTNERS. FOR THE PRESENT, SUCCESS AND SURVIVAL OF COALITION PRIMARILY DEPEND ON ITS ABILITY TO KEEP COUNTRY MOVING ON COURSE TOWARD ECONOMIC RECOVERY. VOLPE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 27 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ROME11761
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS VOLPE
Errors: N/A
Film Number: n/a
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973107/aaaaaexc.tel
Line Count: 132
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: ROME 10837
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 17 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17-Sep-2001 by kelleyw0>; APPROVED <06 MAR 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RUMOR COMPLETES "FIRST HUNDRED DAYS"
TAGS: PINT, IT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005